

LINDA LINGLE
GOVERNOR



BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PUAL KEENO
BRIAN SEKIGUCHI
JIRO A. SUMADA

IN REPLY REFER TO:

**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

**REQUEST FOR PROPOSALS PERTAINING TO THE CONTRACT
FOR A FUEL FACILITIES LEASE AT KALAELOA AIRFIELD**

OAHU

The Department of Transportation (DOT) proposes to offer a new Lease at Kalaeloa Airfield (JRF) for the operation, management and maintenance of an existing Fuel Facility to meet the fuel demands of the general aviation community. The lease document shall contain the following terms and conditions:

PURPOSE:

The right to operate, manage, and maintain an existing self-service fuel facility at Kalaeloa Airfield (JRF).

LEGAL REFERENCE:

Sections 171-59(a) and other applicable sections of Chapter 171, Hawaii Revised Statutes as amended.

LOCATION AND AREA:

Portion of Kalaeloa Airfield, Ewa, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 9-1-13: Portion of 32

PREMISES:

Space No. 001-101, containing an area of 10,000 square feet, more or less, of improved, paved, general aviation land, as shown and delineated on the attached map labeled Exhibit A.

ZONING:

State Land Use: Urban
City and County of Honolulu: P-2 (to be rezoned in the future)

ITEM M-5

LAND TITLE STATUS:

Non-ceded land acquired from the U.S. Government by the State of Hawaii after Statehood

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3861, setting aside Kalaeloa Airfield under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport purposes.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 1, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operation, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previous existing.

TERM:

Five (5) years; anticipated to commence, subject to proposal procedures

DESCRIPTION OF THE FUEL FACILITY SERVICES:

- a. The operation, management and maintenance of a self service fuel facility consisting of: (1) a 10,000 gallon above-ground storage tank intended to sell Fuel (avgas); (2) a 10,000 gallon above-ground storage tank intended to sell jet petroleum fuel (JP); (3) dispensing equipment, credit card readers and other appurtenances.
- b. Development, implementation, and application of on-site procedures for the self-service Fuel Facility and equipment maintenance.
- c. Facility and equipment operations to include: (1) Fuel custody; (2) transfer; (3) receiving, and (4) dispensing.

- ### EVALUATION PROCESS:

EVALUATION CRITERIA

A. Background and Successful Experience(s): 25%

Resumes of key management and supervisory staff member will be required. Demonstration of prior successful experience(s) in the operation, management and maintenance of a Fuel Facility. Proposers must provide a detailed narrative of prior qualifying experience(s), duties and responsibilities, and scope of work performed, together with bona fide references to substantiate such qualifying experience(s). Proposer should also demonstrate the company's knowledge of the industry, including fuel system maintenance and operation, safety, environmental compliance, and training, etc.

- B. Management and Administrative Ability: 25%**

(Maximum of 25 points to be awarded by each Evaluation Committee member;
Combined maximum of 150 points to be awarded by the six (6) member
Evaluation Committee)

The Proposer's will be required to submit a business plan indicating how you expect to run your business. The business plan must include the following:

BLNR – Request for Proposal for the -4-
Issuance of a Fuel Facilities Lease
at Kalaeloa Airfield

- (1) A description of how the Proposer intends to undertake its budgeting, financial management and associated or required record keeping.
- (2) Ensuring that all work is performed with safety, environmental, and operational standards.

C. Financial Capabilities and References: 25%

(Maximum of 25 points to be awarded by each Evaluation Committee member; Combined maximum of 150 points to be awarded by the six (6) member Evaluation Committee)

- (1) The Proposer is required to complete Item 9. Financial Statement, of the "Prospective On-Airport Operator Qualification" Form (Appendix A, Attachment 5).
- (2) The Proposer is required to submit three (3) or more letters of reference, one of which shall be to show your credit worthiness and capabilities to manage your finances; the other letters should attest to your business and professional record.

D. Total Guaranteed Fee (in U.S. Dollars) offered to the State over the five (5) year term of the Fuel Facilities Lease: 25%

(Maximum of 25 points to be awarded by each Evaluation Committee member; Combined maximum of 150 points to be awarded by the six (6) member Evaluation Committee)

- (1) Each Proposer shall be required to offer to the State on Appendix A, Attachment 4 (Proposer's Annual and Total Guaranteed Fees Offered to State), an annual guaranteed fee for each year of the Contract Agreement. The Proposer's annual guaranteed fee offered to the State for each contract year shall then added together to arrive at the Proposer's total guaranteed fee offered to the State over the five (5) year term of the Contract Agreement. Each annual guaranteed fee amount and the total guaranteed fee amount offered to the State over the entire term of the Contract shall be to the nearest dollar amount in legal tender of the United States of America (in U.S. Dollars). The sum total of the annual guaranteed fee amounts offered to the State during the first, second, third, fourth, and fifth years of the Contract term shall constitute the total guaranteed fee offered to the State over the five (5) year term of the Contract Agreement.

- (2) Upset Fees: The upset minimum annual guaranteed fee offered to the State by each and every Proposer for the first (1st) contract year shall not be less than FIVE THOUSAND NINE HUNDRED AND NO/DOLLARS (\$5,900.00). The annual guaranteed fee offered to the State for each subsequent contract year shall not be less than the annual guaranteed fee offered to the State for the previous contract year nor shall the annual guaranteed fee amount offered to the State for any such contract year be more than a _____(%) increase over the annual guaranteed fee amount offered to the State for the previous contract year.
- (3) Fuel Flowage Fee. In addition to any other fees, LESSEE shall pay a fuel flowage fee for all types of aviation fuel received from a commercial distributor. The fee shall be \$.04 per gallon for the first 100,000 gallons of fuel received from a commercial distributor and \$.06 per gallon for any fuel over 100,000 gallons received annually. This fuel flowage fee shall be effective throughout the term of the Lease.

RECOMMENDATION:

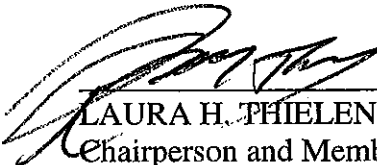
That the Board authorizes the call for sealed Request for Proposal (RFP) and issuance of a new Fuel Facilities Lease: (1) the terms and conditions hereinabove outlined; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State; and (3) the review and approval of the Department of the Attorney General's Office as to the Agreement form and consent.

Respectfully submitted,

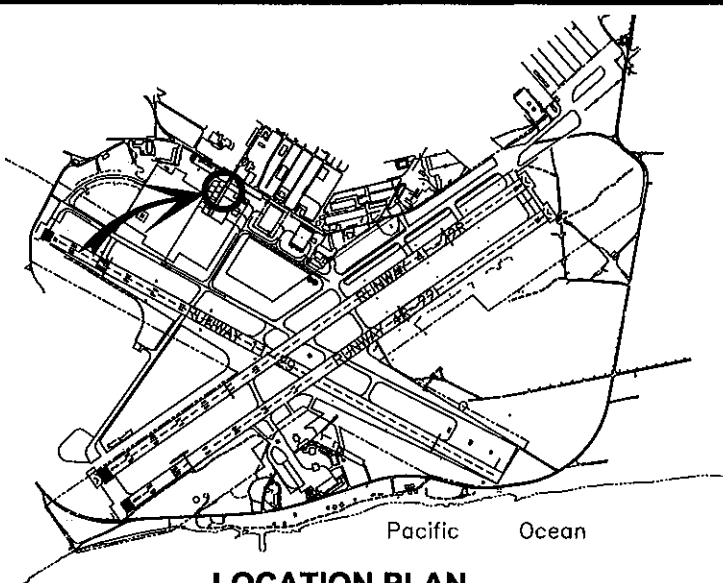


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:

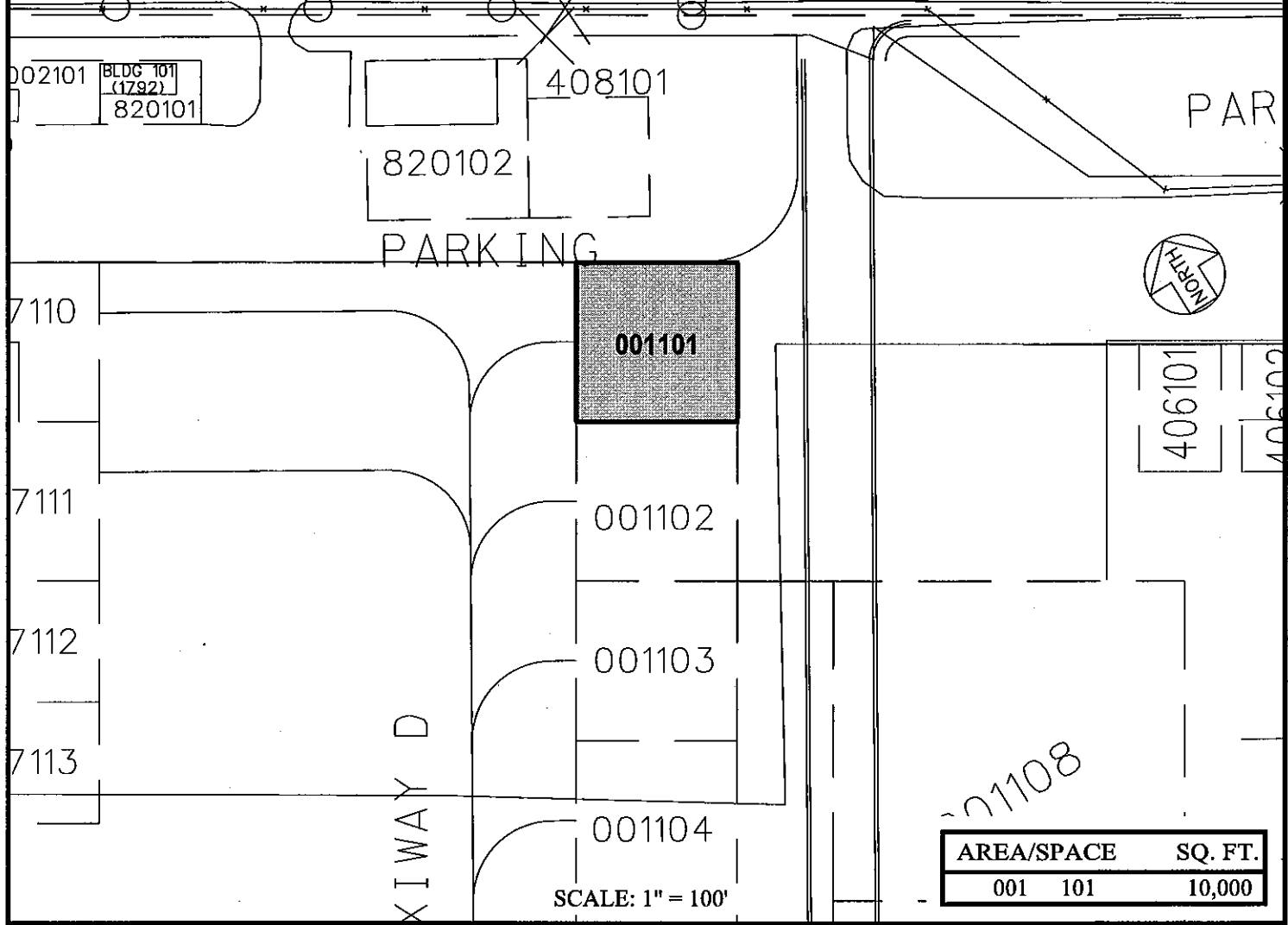


LAURA H. THIELEN
Chairperson and Member



LOCATION PLAN

3000:1



SCALE: 1" = 100'

AREA/SPACE		SQ. FT.
001	101	10,000

DATE : MARCH 2010

EXHIBIT: **B**



Airports Division

LEASE LOTS

001101

KALAELOA AIRPORT